

KIRKPATRICK, LOCKHART, JOHNSON & HUTCHISON

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

1500 OLIVER BUILDING

PITTSBURGH, PENNSYLVANIA 15222

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WRITER'S DIRECT DIAL NUMBER

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IN WASHINGTON, D. C.:

KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS

1900 M STREET, N. W.

WASHINGTON, D. C. 20036

(202) 452-7000

April 10, 1984

Interstate Commerce Commission
12th and Constitution, N.W.
Room 2303
Washington, D.C. 20423

Attention: Mildred Lee

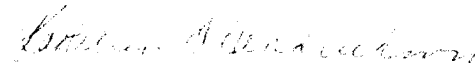
Dear Ms. Lee:

Kindly file the following documents which relate to File 6604 which was opened to record a Lease between First Security State Bank, as Trustee, and The Pittsburgh and Lake Erie Railroad Company ("P&LE"):

1. Letter dated January 18, 1984 from Mellon Bank, N.A. to P&LE terminating the Lease; and
2. Agreement of Sale dated March 8, 1984 between Mellon Bank, N.A. and Gold Fields American Industries, Inc. selling the equipment that was the subject of the Lease.

At your direction, I have attached a notarized statement to a true and correct copy of the termination letter and a filing fee of \$10.00.

Sincerely,



Kathleen D. Hendrickson

KDH/amp

Enclosures

RECORDATION NO. 6604-E Filed 1425

APR 16 1984 - 2 50 PM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

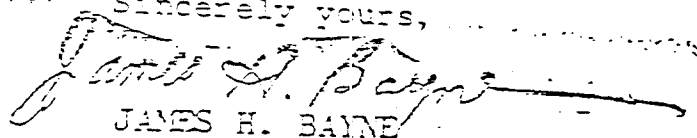
4/16/84

Kathleen D. Hendrickson
Kirkpatrick, Lockhart, Johnson & Hutchison
1500 Oliver Building
Pittsburgh, PA. 15222

Dear sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **4/16/84** at **2:50pm** and assigned re-recording number(s). **6604-E Released**

Sincerely yours,



JAMES H. BAYNE

Secretary

Enclosure(s)

SE-30
(7/79)

Mellon Bank

January 18, 1984

Mellon Bank N.A.
Mellon Square
Pittsburgh, PA 15230

HAND DELIVERED

RECORDATION NO. *6604-E* FILE 1425

The Pittsburgh and Lake Erie
Railroad Company
Pittsburgh and Lake Erie Terminal
Building
Pittsburgh, Pennsylvania 15219

APR 16 1984 - 2 10 PM

INTERSTATE COMMERCE COMMISSION

Re: Lease of Railroad Equipment and Collateral
Assignment of Lease and Agreement dated as
of May 1, 1972

Gentlemen:

We are the secured party in connection with a Lease of Railroad Equipment ("Lease") dated as of May 1, 1972 between First Security State Bank, as Trustee ("First Security"), and The Pittsburgh and Lake Erie Railroad Company ("P&LE") pursuant to a Collateral Assignment of Lease and Agreement ("Assignment") dated as of May 1, 1972 between First Security, as Trustee, and Mellon National Bank and Trust Company, the predecessor in interest to Mellon Bank, N.A. (the "Bank").

Under the terms of the Lease and Assignment, you are obligated to make semiannual payments to the Bank as rental for the Equipment, consisting of 496 gondola cars identified as P&LE 18,500-18,999 (the "Equipment"). You are in default under the terms of the Lease and Assignment by reason of your failure, for more than ten days, to make the rental payment due under the Lease and Assignment on October 1, 1983.

Pursuant to Section 12 of the Assignment, the Bank afforded First Security an opportunity to cure your default. First Security failed to cure your default by the prescribed date.

First Security notified the Bank by letter dated January 5, 1984 of its intention to make a definite proposal to the Bank with respect to the purchase of the interest of the Bank in the Equipment which is subject to the Lease. By letter dated January 12, 1984, however, First Security expressly declined to purchase the Bank's interest in the Equipment. A copy of the January 12 letter is attached hereto.

In light of P&LE's default and First Security's failure to cure or purchase the Bank's interest, the Bank hereby terminates the Lease.

The Pittsburgh and Lake Erie
Railroad Company
January 18, 1984
Page 2

Pursuant to Section 9(a) of the Lease, we hereby demand that you deliver possession to the Bank of the Equipment. Such delivery shall be in accordance with the terms of Section 10 of the Lease.

If you agree to turn over and deliver to the Bank the Equipment, please note your consent and agreement in the form of letter enclosed herewith, whereupon the Bank will proceed to take delivery and possession of such railroad cars and arrange for their commercial resale or disposition in accordance with the Lease and applicable law. The Bank will designate not more than five locations on storage tracks of the P&LE. In light of your statements to us that the Equipment is not necessary for your operations, we believe that this return of the Equipment can be achieved promptly and in a businesslike manner. We are certainly willing to work with you to achieve this result.

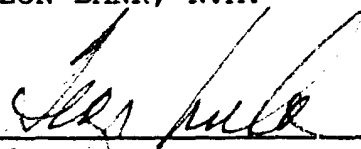
Upon receipt of payment for such Equipment, the Bank will reduce the amount of the obligation owed by P&LE to the Bank and provide you with a quarterly accounting of such reduction. You will, of course, remain liable for any deficiency.

The Bank hereby reserves, without prejudice, all its remedies and its rights to assert any claim for damages pursuant to terms of the Lease and applicable law, including without limitation its claims for loss of the bargain.

Very truly yours,

MELLON BANK, N.A.

By


Its Vice President

Enclosure

A F F I D A V I T

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF ALLEGHENY)

Before me, the undersigned authority, personally appeared KATHLEEN D. HENDRICKSON, who, being duly sworn according to law, deposes and says that she is counsel for Mellon Bank, N.A., that in such capacity she is duly authorized to execute this Affidavit on behalf of Mellon Bank, N.A. and that the attached letter is a true and correct copy of the one executed by George Lula on January 18, 1984.

Kathleen D. Hendrickson

Sworn to and subscribed
before me this 10th day
of April, 1984.

Carol A. Piwowarski
Notary Public

My Commission Expires:

CAROL A. PIWOWARSKI, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES OCT. 24, 1987
Member, Pennsylvania Association of Notaries